

Health Insurance Reform Myths And the Facts that Bust Them

While some political and industry-led groups continue to spread myths about components of health care reform, independent analysis—and the facts—are knocking them down.

Myth 1: “Health Care isn’t broken now” – For the vast majority of Americans who have health care coverage, there’s no need for reform.

Fact: The average American family pays \$1,100 extra each year now to cover costly care for 47 million uninsured Americans. American businesses are struggling to cover their workers, and falling behind global competitors. Health care costs are driving up the federal deficit and busting state budgets. Right now, insurance companies can deny care or coverage for those who have insurance or take coverage away if you get “too sick.” Millions of Americans are making job and life decisions based on the fear they will lose health care coverage.

Myth 2: “Forcing Americans into the Public Plan/Employers to Drop Coverage” – The House bill contains a government-run and –subsidized public option that would force employers to drop their more expensive coverage and force everyone onto a public plan.

Fact: Under the House bill, no one can ever be forced onto the public option. The only way someone would be in the public plan is as a result of their own individual choice. Approximately 1 in 10 Americans is expected to enter the Health Insurance Exchange to purchase their own insurance at competitive rates – and there they will have a range of options including various private plans, and the public plan. If an employer is providing their employees health insurance through the Exchange, it is the employee – not the employer – choosing the plan. Furthermore, the non-partisan Congressional Budget Office projects that more employers are likely to provide coverage under the bill – and just over 3% of Americans will actually choose the Public Option.

Myth 3: “Government Takeover/Socialized Medicine” – The House bill will lead to a government takeover of your health care – and who can trust the government?

Fact: The non-partisan Congressional Budget Office predicts just over 3% of Americans will choose the public health insurance option the

House bill would offer, providing competition to insurance companies, which in some areas have a virtual monopoly. In the current health care system, insurance companies hold more power than doctors and patients. They can decide whether or not to cover treatments, procedures and routine doctor visits, and price for profit, not patient care. The House bill would empower physicians and patients, with better information on what treatments work and incentives to provide higher quality and more integrated and coordinated care. The same “government takeover” argument was made against Medicare, and it has turned out to be a very popular government-run health system, just like health care for our veterans.

Myth 4: “Rationing Care” – The House bill will put government bureaucrats in charge of who gets care and what treatments are available to patients.

Fact: Our current system rations care – with no cost caps on costly treatments pricing patients out of the ability to choose them, with insurance company accountants deciding when they will refuse coverage, and with 47 million Americans lacking basic health care coverage at all. There is no rationing of care under this bill. How did this rumor get started? Opponents of “comparative effectiveness research” are trying to claim government panels would decide what care you can get. In reality, it would provide doctors with the best research and information on what treatments work – in effect, making them smarter and better able to treat you. Additionally, a committee of doctors, patient advocates, and other experts who do not work for the government would help make recommendations about the minimum benefits insurance plans should provide, to protect patients.

Myth 5: “Death Panels” – The House bill would create a government panel to make end-of-life decisions for seniors or force them to make life-shortening decisions themselves.

Fact: Most importantly, the House bill will actually reduce premature deaths in America by covering 97% of Americans and improving the quality of care – for instance, reducing the 110,000 preventable deaths each year from hospital-acquired infections. So how could anyone think “death panels” would be part of reform? The House bill simply reimburses the cost of patients voluntarily speaking with their doctors about their values and preferences regarding end-of-life care – empowering older Americans to have their wishes observed. There is no

mandate in the bill to complete an advance care directive or living will. In fact, end-of-life decision-making has been a bipartisan policy in America prior to this debate.

Myth 6: “Hurts Small Businesses” – The House bill will harm small businesses – undermining their ability to create new jobs and imposing large tax hikes – taking a big chunk out of their hard-earned income.

Fact: Far from undermining small businesses, the bill would significantly cut the costs of health care coverage for small businesses – making insurance companies compete for customers, and allowing small business owners to enter into a large purchasing pool (the Exchange) to get the kind of low rates big businesses get. As the New York Times has pointed out, “The small business community would be one of the biggest winners from health care reform.”

Small businesses are offered two kinds of tax credits to help pay for insurance: a permanent tax credit that phases out for bigger businesses and those with higher salaries; and small businesses with 25 or fewer employees and average wages of less than \$40,000 get tax credits of up to 50% of their insurance costs.

The vast majority of small businesses – those with payrolls under \$500,000 in the latest version of the House bill – would be completely exempt from the shared responsibility concept that would require them to purchase insurance for their workers.

Under the bill, 96% of small business owners would pay NO increased taxes – and half of the remaining 4% earn less than a third of their income from a small business – so are more likely wealthy investors with some small business income.

Myth 7: “Cutting Medicare” – The House bill would cut Medicare benefits, leaving seniors with fewer choices and lower quality care.

Fact: Nothing in this bill would reduce benefits to seniors. The cost savings measures in Medicare under America’s Affordable Health Choices Act are all targeted at protecting and improving services and ensuring choice, by achieving new efficiencies; expanding authority to fight waste, fraud and abuse; and eliminating the wasteful Medicare Advantage subsidies to private insurance companies that Republicans ignored for eight years.

In fact, the \$563 billion in savings over 10 years is a gross number—with a net of \$340 billion in new spending to IMPROVE Medicare benefits and health care for seniors, including the following:

- lowers drug costs by gradually closing the “donut hole” for prescription drug reimbursement;
- preserves choice of doctors by eliminating a 20% cut in doctor reimbursements;
- lowers costs by eliminating copayments for preventive services;
- improves low-income subsidy programs, including under the part D program, to help ensure Medicare is affordable for those with low and modest incomes;
- computerizes medical records so seniors won’t have to take the same test over and over or relay their entire medical history every time they see a new provider;
- expands the medical workforce so seniors will have more doctors to choose from and an easier time getting an appointment;
- develops new practices to improve quality such as the new Center for Quality Improvement that will identify best practices are distributed widely; and
- lengthens the solvency of Medicare by five years.

Myth 8: “Illegal Immigrants” – The House bill provides health benefits for undocumented workers and their families.

Fact: Taxpayers will not fund health care for undocumented workers. America’s Affordable Health Choices Act, Section 246 states that “Nothing in this subtitle shall allow Federal payments for affordability credits on behalf of individuals who are not lawfully present in the United States.”

Myth 9: “Paying for Abortions” – The House bill will force taxpayers to pay for abortions.

Fact: The House bill continues current policy, which bars Medicaid from paying for abortions but allows private insurance companies to offer such coverage. An amendment to the bill clearly states that no federal funds can be used to pay for abortions except in the case of rape, incest, or the life of the woman.

Myth 10: “Exempting Congress” – Everyone will be affected by the House bill except Members of Congress and their families.

Fact: Members of Congress' health care plans will be subject to the same rules as all other employer-sponsored plans. Nothing in the legislation exempts the plans available as part of the Federal Employee Health Benefits (FEHB) program (the plans Members of Congress and staff enroll in) from the reforms.

Myth 11: “Exploding the Federal Deficit” – The House bill would increase the federal deficit – one more drag on future generations.

Fact: Health reform will not increase the deficit. On July 17, the Congressional Budget Office (CBO) confirmed that the House bill will be fully paid for just three years after the bill takes effect. CBO estimated that the cost of the bill's reforms was \$1.042 trillion over 10 years, while the bill's cost savings and revenues totaled \$1.048 trillion. Since then, amendments to the bill have trimmed the cost even more.

The reforms will be fully paid for through a combination of almost \$500 billion in net Medicare and Medicaid reforms, included in the bill, and over \$500 billion in revenue raised through a tax surcharge on the wealthiest 1.2% of Americans. These reforms will provide affordable coverage to 97% of Americans two years after the bill takes effect – and reform our private insurance system to lower costs for all Americans and improve their coverage.

Myth 12: “Can’t Afford Trillion Dollars in New Taxes” – The House bill will cost \$1 trillion and be paid for with higher taxes on all Americans.

Fact: The House bill will not drive up the deficit (see above), and 98.8% of Americans would see NO tax increase – but enjoy all the cost and care benefits of reform. The House bill is fully paid for, mostly by reducing waste and inefficiencies in Medicare, and redirecting excessive profits that private insurance companies are making off Medicare Advantage. The rest would be paid for through a surcharge on some of the income of the wealthiest 1.2 percent of Americans.

Myth 13: “We Don’t Have Enough Doctors” – Adding new patients to an already over-taxed system will only exacerbate nurse and primary care physician shortages.

Fact: America's Affordable Health Choices Act will not only provide affordable coverage to 97% of Americans and other necessary reforms,

the bill will enhance and grow the nation's primary care health professional workforce through strengthened scholarship, loan repayment and training grant programs. Specifically, the bill would:

- Expand the National Health Service Corps and create a new primary care loan program.
- Increase the advanced practice nursing force.
- Provide a new loan repayment and scholarship program to train a new generation of public health workers.
- Strengthen existing preventive medicine programs.
- Support existing health professionals through the establishment of a study center to gather better data on health workforce needs.
- Computerizing health data will increase efficiencies and the amount of time primary care professionals are caring for patients.